

House File 255 - Introduced

HOUSE FILE 255

BY SHIPLEY

A BILL FOR

1 An Act relating to the taxation of virtual currencies, and
2 including retroactive applicability provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.3, Code 2019, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 7. "*Virtual currency*" means a type of
4 unregulated, digital money, which is issued and usually
5 controlled by the developers of the currency, and used and
6 accepted as a medium of exchange, but does not have legal
7 tender status as recognized by the United States.

8 Sec. 2. Section 422.7, Code 2019, is amended by adding the
9 following new subsection:

10 NEW SUBSECTION. 60. Subtract, to the extent included, a
11 gain from the sale of a virtual currency. Add, to the extent
12 taken, a loss from such a sale.

13 Sec. 3. Section 422.35, Code 2019, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 26. Subtract, to the extent included, a
16 gain from the sale of a virtual currency. Add, to the extent
17 taken, a loss from such a sale.

18 Sec. 4. Section 423.3, Code 2019, is amended by adding the
19 following new subsection:

20 NEW SUBSECTION. 107. The sales price from sales of tangible
21 personal property, services, and specified digital products to
22 the extent the sales price was paid in a virtual currency as
23 defined in section 422.3.

24 Sec. 5. Section 423.14A, subsection 1, paragraph b,
25 subparagraph (1), subparagraph division (b), subparagraph
26 subdivision (v), Code 2019, is amended by striking the
27 subparagraph subdivision.

28 Sec. 6. Section 450.4, Code 2019, is amended by adding the
29 following new subsection:

30 NEW SUBSECTION. 10. On the value of virtual currency as
31 defined in section 422.3.

32 Sec. 7. RETROACTIVE APPLICABILITY. This Act applies
33 retroactively to January 1, 2019, for tax years beginning on
34 or after that date.

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EXPLANATION

1 The inclusion of this explanation does not constitute agreement with
2 the explanation's substance by the members of the general assembly.

3 This bill relates to the taxation of virtual currencies. The
4 bill defines "virtual currency" to mean a type of unregulated,
5 digital money, which is issued and usually controlled by its
6 developers, and used and accepted as a medium of exchange, but
7 does not have legal tender status as recognized by the United
8 States.

9 The bill exempts virtual currencies from individual,
10 corporate, franchise, sales and use, and inheritance taxes.

11 The bill strikes a reference to "virtual currency" in Code
12 section 423.14A(1)(b)(1)(b)(v) relating to the responsibility
13 of a "marketplace facilitator" to collect sales tax when
14 purchasers of tangible personal property, services, or digital
15 products use virtual currency.

16 The bill applies retroactively to January 1, 2019, for tax
17 years beginning on or after that date.